

[ TRANSCRIBE THIS FORM ONTO FINANCIAL INSTITUTION'S LETTERHEAD ]

(Letter of Credit – Subdivision)

Date \_\_\_\_\_

Irrevocable Letter of Credit No. \_\_\_\_\_

Mayor and Council of Rockville  
111 Maryland Avenue  
Rockville, Maryland 20850

We hereby issue in your favor this irrevocable letter of credit upon which you may draw up to an aggregate amount of \_\_\_\_\_, available on demand upon the production of a written demand for payment and a written statement by the City Manager of Rockville, or his designee, that \_\_\_\_\_

(Name of Permittee/Subdivider)

failed to complete the construction and installation of the public facilities authorized and/or required by construction Permit No. \_\_\_\_\_, within three (3) months after substantial completion of any building or structure which said facilities are designed to serve, or within two (2) years of the date of approval of the final plat.

The work required of the subdivider under said permit includes compliance with all applicable ordinances and requirements of the City and the agreement and obligation of the subdivider that the subdivider and the subdivider's agents and servants will save harmless the Mayor and Council of Rockville, Maryland, from any expense incurred through the failure of the subdivider or the subdivider's agents and servants, to complete the required public facilities, or from any damage growing out of the negligence of the subdivider or the subdivider's agents or servants.

This letter of credit shall be valid, and our obligations hereunder shall continue uninterrupted, for a period of three (3) years following the date of issuance indicated above, provided that on that date this letter of credit shall automatically be extended for an additional one year period and shall further be automatically extended annually for additional one year periods. Unless

\_\_\_\_\_ notifies the City Manager by registered letter at \_\_\_\_\_  
(Financial Institute)

least thirty (30) days prior to such initial or subsequent expiration date that this letter of credit will not be extended for such additional period. We further agree that no change, extension of time, alteration or addition to the work to be performed or to the plans or specifications relating to the same, shall in any way affect our obligation under this letter of credit, and we specifically waive notice of any such change, extension of time, alteration, or addition.

We further agree that all demands for payment made under and in compliance with the terms and conditions of this letter or credit will be duly honored by us and that no defenses that may be available to the permittee/subdivider will be asserted against any demand for payment made hereunder.

NAME OF FINANCIAL INSTITUTION

By: \_\_\_\_\_

(Please type or print name and title)